

BRIGHTON & HOVE CITY COUNCIL
SCRUTINY PANEL ON SUPPORT FOR THE RETAIL SECTOR

4.30pm 6 MARCH 2012

COMMITTEE ROOM 3, HOVE TOWN HALL

MINUTES

Present: Councillor Mitchell (Chair)

Also in attendance: Councillors MacCafferty and C Theobald

PART ONE

9. PROCEDURAL BUSINESS

- 9.1 There were no declarations of interest or declarations of party whip.
- 9.2 RESOLVED; that the press and public be not excluded from the meeting.

10. CHAIRS COMMUNICATIONS

- 10.1 The Chair welcomed everyone to the second Scrutiny Panel public meeting on Support for the Retail Sector.

The Panel was set up after the Streets Ahead event in 2011 which brought together local traders, large chain stores, council officers and campaign groups to look at how to support the Brighton & Hove's retail offer.

The meeting had been set up to hear from retailers and retail experts who wished to speak to the panel about their ideas and issues.

- 10.2 The Panel had agreed their objectives which were around supporting our retail sector through looking at ways of:
- partnership working with all types of retailers, landlords and developers and agents
 - what effective marketing and promotion could be used?
 - how could the city's retail sector be developed?
 - how could regulations and advice be used by retailers
 - how could street markets have a more positive impact?
- 10.3 It was important that the Panel heard retailers views. The process of the review was to gather evidence by either speaking in public to the panel, through tweeting on BHRetailScrutiny, or through the social media live chat, e-mailing, writing in or

telephoning. Included in the agenda was the feedback we had already collated through these means.

- 10.4 At the end of the review, the Panel would agree a set of recommendations which would be based on the evidence heard. A report of the findings and recommendations would go to the decision making body for approval.

11. WITNESSES

- 11.1 Martin Lawrence presented the following information and answered questions.

1. His family arts supplies business had been trading for a decade. A large part of the business was mail order. On-line transactions were exceeding shop sales. Observations were that retail was rapidly changing with the internet and out of town shopping. A shopping feature that the trader had was free parking for his customers.
2. George Street in Hove offered free parking until 10am, this was favourable to shoppers and it was important to provide this. Other cities like Chichester and Portsmouth provided shoppers with convenient parking which made visits more worthwhile. The Council needed to think outside the box and provide free parking
 - on some days
 - or until midday,
 - or certain days in the year
 - for electric cars to encourage people to think more environmentally
3. Portland Road had changed over time to accommodate a high standard of retail stores. The area was dominated by families.
4. Changes to retail had included the loss of a Town Centre Manager post, one of their roles and responsibilities was to complete the vacancy surveys.
5. It was important to move forward during this recession by-
 - Landlords needed to offer rent free periods to support businesses
 - The council adopt a rate free period for new businesses?
 - Multiples want to work with independents to offer them expert advice?
 - Car friendly marketing
 - Reinstating the Town Centre Manager

- 11.2 Questions were raised which included the following:

1. The parking in George Street was up to 10am, would traders like to see an extension in the free parking time? Members were told that initially the street did have longer free parking hours and this was reduced. Late afternoon when cars could park there for free the street did get horribly polluted. It was important to get the right balance.
2. What could the multiples provide in terms of expertise? The Panel noted that multiples could share their expertise of shop lifting, training staff, shop layouts; which would contribute to the viability of other retailers.

3. What one thing could the Council provide to support retailers? Members were told that there were over 170 shops in Portland Road it was important for the area to have a focal point that would meet the different needs and wants of shoppers coming to this area, than going to other shopping areas like the North Laine.
4. Evidence heard from another retailer was to have a street market on Portland Road to increase footfall, what were the trader's thoughts? The Panel noted that it would need to be an attractive market that was properly managed and didn't replicate the goods of the other retailers on that road. It was a good idea if the buses could be rerouted.
5. Would it be beneficial for Hove businesses to be part of the BID? Members were told that the Hove Business Association and the Business Forum supported traders with competitive refuse collections and credit card rates. Professional advice was offered on property and accountancy matters by specialists who volunteered to give up their time. More support was still required.
6. Would distinguishing the Hove shopping area help to increase tourism in that vicinity? The Panel noted that visitbrighton covered Hove as a shopping destination but the directory could be improved.
7. Evidence heard was that the increase in parking costs would affect shoppers. What suggestions would you make to improve parking for shoppers? Members were informed that the Council should trial a free parking day for shoppers.

11.3 The Chair thanked Martin for his time and input into the inquiry.

11.4 Tony Mernagh (Chief Executive- Business Forum) presented the following information and answered questions:

1. The Chief Executive was also the Executive Director, Brighton & Hove Economic Partnership; which dealt with broader city wide strategies like transport and skills expertise in the city.
2. *How did the Business Forum support retail businesses in B&H?*
 - a) The Business Forum established the Brighton Business Improvement District [BID] in 2006 and took it to successful renewal in 2011
 - b) I am the Company Secretary for the BID Company
 - c) The Business Forum administers the BID's sales and purchase ledgers and compliance with Company law.
 - d) The Business Forum hosts the BID Manager and provides office space, meeting space, telecoms & IT equipment & support and HR support.
 - e) The Business Forum also operates the largest Business Crime Reduction Partnership [BCRP] in the UK which has 176 retail members (and 242 members in the night-time economy)

- It operates a city wide radio network to exchange live intelligence which is monitored by Sussex Police.
- The BID ambassadors carry BCRP radios which can be used by retail members to summon assistance in their shops.
- It also operates an exclusion notice banning persistent offenders from all member premises.
- A photo sharing scheme of known offenders which is also available as a Smartphone app
- A secure intranet for the exchange of information that is covered by the data protection act
- The BCRP manager offers free retail security training to members and advice non members
- It contributes to the prevention of crime by participating in the Community Resolution programme where juvenile (largely but not exclusively shop lifting) offenders are obliged to face up to the impact of their actions and make some form of community resolution. Supporting the prevention of low level offenders. Through restorative justice offenders had served 2 hours of their time helping in stores like Oxfam.

3. Does the Forum have a town centre strategy?

The Forum lost £180k of funding which included the Town Centre Manager.

- No. With the demise of dedicated funding streams the Forum ceased its city centre management activities in March 2010 and it no longer employs a city centre manager or a Hove Town Centre Manager.
- However, to an extent the emerging City Plan will form a large part of a city centre strategy.

4. What are the key issues facing the retail sector?

- In the medium term - declining consumer demand – i.e. people spending less
- Changing expectations from the consumer about the “shopping experience” – not just the increase in on-line shopping but also the demand from consumer for an experience in addition to the opportunity to shop
- Rents & Rates – increases were problematic
- Specifically for the independents: - unwillingness to embrace the internet and other technology
- Red Tape especially around employment law and the changes to it. Retailers needed to source advice about human resources but did not always see the value of this.

5. What do you think the city council should be doing to support the retail sector?

More of what it already does very well.

- Keep the streets clean
- Make more of the city centre a pedestrian friendly environment e.g. New Road
- Promote the city via VisitBrighton
- Support the BID

6. What other types of support would help local traders?
A mechanism to help them to stabilise rent and rates.
7. How closely do you support retailers who are threatened with closure?
We do not. The Forum does not know which businesses were going to close until they had closed. This included both independents and multiples.
8. How can independent retailers compete with both larger multiples and internet shopping?
- They can mainly compete with larger multiples on service.
 - They should not compete with the internet but embrace it.
9. How involved do you get with landlords and the negotiation of rates for retailers?
Not at all
10. How do you think retailers, landlords and property agencies could work more closely together?
There will always be an adversarial element to the broad relationship between landlords and tenants. Some landlords did work well with businesses and offered personal concessions, as long as the tenants could get through the challenging times.
11. There are varying views about street markets depending which part of the city retailers are located in, where does the Forum stand on this?
- Generally against but see the written evidence from the Business Forum.
If markets are going to happen they should:
- As far as possible sell good that do not compete directly with existing retailers
 - Be in locations where access to existing retailers is not impeded
 - Have a high-calibre uniformity of stalls so that they add value to the street scene
 - Be professionally managed and rigorously policed.
 - Some Market stall holders would exceed the conditions of their licence if allowed.
12. What do you think the city centre will look like in 5 years time in terms of retail outlets, bearing in mind the increase in on-line shopping?
- Much of this depends on the expansion of Churchill Square which will boost our regional offer and provide space for many of the 70 odd high street names that have a requirement for an outlet in Brighton. Many retailers would relocate. The north side of Western Road was owned by the Council.
 - The BID will be renewed in 2016 and this may offer opportunities for expansion eg. Queen's Road & St. James' Street
 - It will probably still have a significant number of independents because the floor plate of shops in the Lanes & North Laine is too small for chains unless they are niche. They will all have an online presence and the vast majority will have an e-commerce function.

- Having said that, if the trend for “showroom” shops takes hold larger players may no longer have a requirement for large shops and they may move into the better secondary locations e.g. Bond Street. The pace for development of this concept will depend on improvements in home delivery.
- The variety of the independent offer will continue to be reduced.
- People who received redundancies packages and have had the desire to open a store would often use this money to start up. However the rents and rates were so challenging that some of these stores would not survive.

11.5 Questions were raised which included the following:

1. Evidence heard has been around parking charges and accessibility into the city what would the CE recommend? Members were told that with the expansion of Churchill Square into a regional shopping centre arrival points into the city needed to be more accessible. Bus and coach parking needed to be clearly signposted not just to Churchill Square. The catchment area for the expansion was 7km radius meant that car users needed to be accommodated but also discouraged. The duration of their stay could be a problem.

The train service into Brighton at the weekend was not always welcoming with having engineering works and coaches from Three Bridges.

The traffic congestion from the roundabout was a limiting factor and a question as to whether the city could take more visitors needed to be asked. Pool Valley was not an inviting welcome to visitors arriving by coach. Staying visitors should be accommodated for. There should be more access points into the city. Signage should be clear and easy to read. Smart phone apps should be on offer and the city must have free wifi.

2. Much evidence was heard about the station gateway, what improvements would you suggest? The Panel noted that there had been much discussion about the station concourse over the years. It was important to negotiate with the station about directional signage and banners. The station was the 5th largest in the south. By 2020 most trains would be operating to full capacity.
3. With the possible expansions to Churchill Square, how would the city need to change to accommodate the expansion? Members were told a condition that needed to be addressed was parking, as there was no scope for additional parking. The bus station was in the wrong part of the city as it too long to access the city and it was too small. The coach station was subsidised by National Express. Would it be beneficial to find somewhere else for the coaches or did the city want to invest in Pool Valley?

Coaches were an integral part of transport. City events brought visitors in. How much did day visitors bring to the city compared to visitors that stayed the weekend?

The gable end of the Queen’s Head pub could be used to promote the city for visitors coming from the train station.

4. How could events help promote the city? The Panel noted that events such as the car rallies on Madeira Drive and Pride did not necessarily achieve the right benefits for the city. It was questionable whether these visitors spent money in the city.

The council seemed more tuned into the development of the bike ride. It would be more beneficial for the city to have an independent commissioning contract for events to get the best events for the city.

The income from Pride was £7 mill., however costs were approximately £5 mill., with a profit £2.5 mill. Was the Brighton Marathon a better event in that it encouraged and worked with the health agenda. Visitors into the city did come to events and then spent money in the shops. However there were only a number of people that the city could accommodate.

5. What advise would you give that was for Street markets, as there was evidence heard against them? Members were told that it was important to draw up detailed guidelines and if these were not agreed by stall holders then they would have to leave. Professional management of markets was necessary for it to be a success for all concerned and an example of this was the Farmers Markets at Shoreham, where by the organiser managed this on a full time basis.
6. What one thing would help retailers? The Panel noted that Pop up shops were a way forward. Cooperation would be needed by landlords/agents. Cheap rents could be offered to businesses who wanted to start up but were too nervous to get into a long term contract. Or a group of new retailers could rent one unit. Agents/ landlords would need to ensure that the retailers did leave the property at the end of the contract. If landlords and agents do not become more flexible there will be more empty properties in the city.
7. Where else did pop up work? There were some in London as agents had a positive outlook about pop ups and wanted to fill their empty properties.

11.6 The Chair thanked the Chief Executive for his time and input into the inquiry.

11.7 Eve Reid – Director of Metamorphosis presented the following information:

1. A large part of the retail consultancy company's work is training and retail regeneration. For example there was a project in Pulborough where Tesco's had opened up a new store in one part of the town. Tesco's had worked with the bus company and paid for a change of bus routes to ensure consumers could access the new store via public transport. Metamorphosis worked on regenerating the remaining area. When the project was reviewed the result was that the regenerated area had reached a 100% occupancy.
2. *How could Brighton & Hove's retail offer be supported and the impact of inflation and the economic downturn be mitigated? How could the retail sector and multiples work in partnership to ensure sustaining the viability of the retail sector?* Metamorphosis worked on a national level. Retail had changed dramatically with

a decrease in consumer loyalty. Metamorphosis provided the skills needed by retailers to get the best out of their stores. This included how to lay out stores. Creative projects included window dressing eg. The Dress for Success project in city over the christmas period. Making retailers aware that their shop windows had huge opportunities. Projects could raise a collective awareness with publicity and exposure.

Metamorphosis was commissioned by Midhurst (who had been successful in receiving a grant to improve shop frontages). Retailers were trained on using the right products in their windows to attract shoppers and skills on merchandising their stores.

3. Independents had strong entrepreneurial skills and skill enhancements compared to multiples, as staff working for multiples tended to do one job role and were not always multi-skilled. Therefore multiples training may not be the best option.
4. Metamorphosis wrote the training material for Mary Portas and The National Skills Academy producing practical material to support independent retailers.
5. Councils needed to be more forceful with multiples to work more collaboratively with other retailers. More creative thinking was required by all retailers and for them to work in synergy. There is power in numbers and strong partnership work is key. The BID's are a great example of this.
6. Sainsbury's have a good ethos with regards to collaborative working.
7. *How could retailers, landlords, prospective developers and agents develop the city's retail sector?* Using the council's property register the council could promote good landlords by exposing and sharing good practice, encouraging landlords to work better with their tenants. Encourage the media to get involved, create a visible charter of best practice that they can sign up for.
8. The promotion of pop up shops, which gave energy to an area. The White Paper on bricks and mortar and on line retailing had shown how a presence on the high street had hit saturation. Pop ups are a great way of promoting on-line businesses.
9. People's behaviour was changing 70% of people worked and spent their time in town centres. Towns needed to ensure that they were creative with the use of their space and met customer needs eg. Locating nurseries in towns.
10. *How could regulations and advice regarding the retail sector be accessed by more retailers?* Communication needed to be improved between the Council and retailers. Promoting information on the council website was not enough and more face to face meetings were needed with retailer's teams.
11. Cities need to look at how customers accessed their cities and what routes customers used to get around towns. Including what the high street looked like and the opening hours.

12. Cobham Chamber did a study on where their parking provision was, who was using their parking spaces to ensure that customers had parking spaces when they needed them. Findings revealed that there were redundant car parking spaces at the local churches which could be used by people who worked in the city. This would release valuable car parking spaces for consumers. The churches did not charge for parking but asked for a contribution. This scheme has helped the town and community. This type of collective vision showed that there was power in numbers.
13. *How could street markets have a more positive impact on retailers?* The positioning of markets needed to be complimentary to retailers. Markets should sell specialist merchandise. Horsham had a specialist food market and another separate market for new retailers piloting businesses. Markets needed to think about their opening times especially if they wanted to compete against multiples and open in the evenings. It was important to encourage entrepreneurs to try out their business in markets as minimal risk was involved.

Landlords needed to understand that the type of retail units that businesses needed was changing.

14. Metamorphosis created a self sustaining model for the Tourist Information Centre in Essex. The Centre was more sales related and the results showed a 38% increase in income, which meant the Centre could fully fund itself.

11.8 Questions raised included:

1. What community projects could support retailers in this city? Members noted that it was important to have a Town Centre Manager to drive forward the city's vision. Without a Manager the task was too big and there was no one that could liaise with all the different groups involved to help deliver the strategy eg. Retailers, residents etc.
2. What did visitors coming into the city want? Members noted that people wanted to find their way around the city and QR codes should be used to help direct people. Retail entertainment- "*retail-tainment*" was important for the city to have at weekends. Events were needed to draw visitors into the city. Independents had the right energy and could offer this.
3. How could the city promote shopping zones? The Panel were informed that a bold retail vision was needed by putting together and promoting the same style of shops. Company's like Unilever and Tesco's used this principle to predict the future of retail.
4. How could the internet be used to promote independents specialist products? Members were told that their businesses would need to be in the right product groupings eg. shoes, handbags etc. Consumers could only take in 7% of what they saw. An example of a retailer using this knowledge was a Jam store, which only had 7 types of jam on sale and sold out of 4 types. The success of the store was due to the consumer having a limited range to choose from. Retailers could determine what shoppers should purchase by offering clear and easy merchandising of their products.

11.7 How could the internet be used to encourage the public to visit stores? The Panel were informed that the Christmas- “Dress for Success” promotion encouraged the public to participate in the competition by voting for the winner. The result was that a 1,000 voted through the internet. This was a good way of getting the shoppers to visit stores.

12. ANY OTHER BUSINESS

12. There was no other business.

The meeting concluded at 6.00pm

Signed

Chair

Dated this

day of